

FATFACE

Gender pay gap
REPORTING 2023

The BACKGROUND

The UK government introduced a legal requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, that from 2018 onwards companies with over 250 employees were required to disclose their gender pay gap on an annual basis. The requirement to report was delayed in 2021 as a result of the Covid 19 global pandemic.

This report is based on a snapshot of employees and earnings data as at 5 April 2023. In this period our reportable employee population was 2,031 employees and the gender split is 381 males, 1650 females.

Our PAY GAP

Our mean and median pay gap differences between men and women are 22.7% and 18.6% respectively. This reflects a pay gap in favour of men.



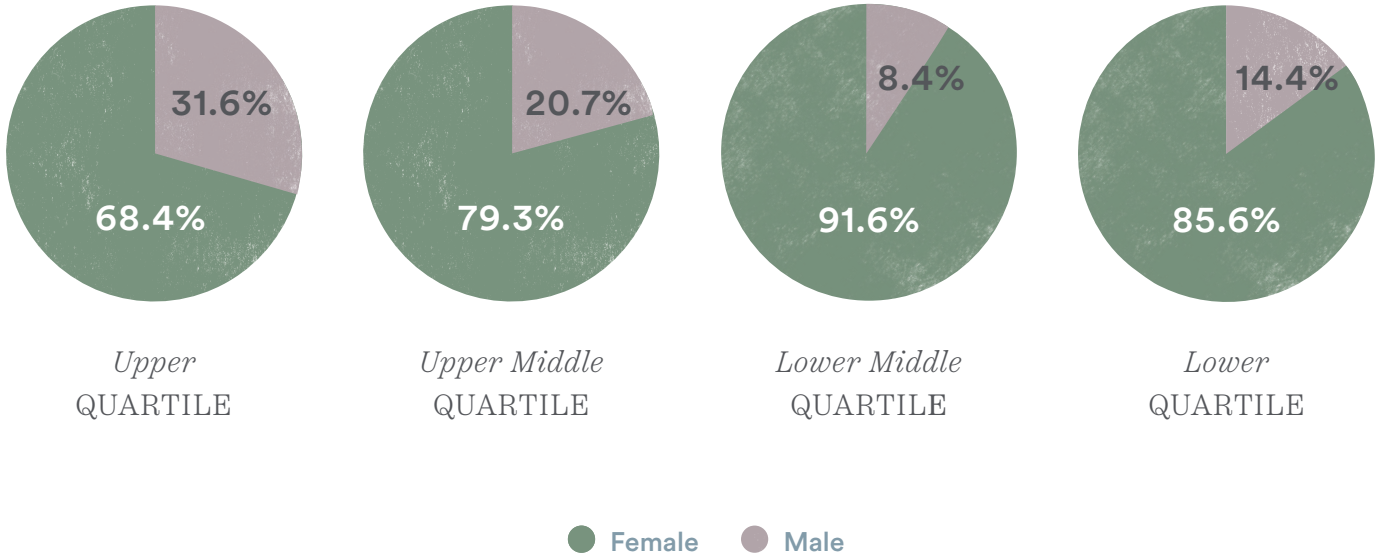
● Mean ● Median

In line with the regulations, we have also set out the gender distribution across four equally sized quartiles based on pay range.

Both our mean (22.7%) and median (18.6%) pay gaps saw an increase in the Gap in favour of men against the prior year. During the period, the business was led by a male CEO and the operating board comprised of 4 males and 3 females.

As a retailer, the largest proportion of our staff are our retail employees who operate our stores. We believe that the median pay gap provides a more representative picture as it is not as influenced by the outliers in the data set and is reflective of the position of this main group of employees. The employees that fall into the median are our hourly paid retail staff, where our employees are paid at the same hourly rate.

Pay QUARTILES



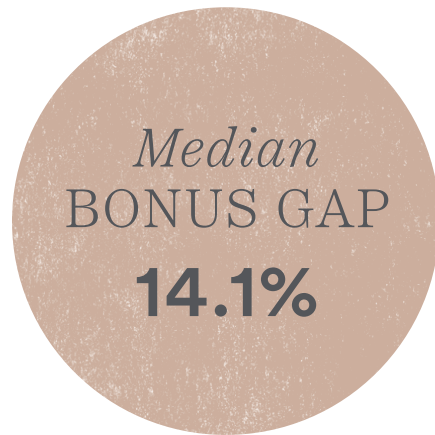
These charts show the proportion of men and women in each pay quartile at FatFace. The proportion of men in our Upper Middle Quartile has decreased slightly since 2022 (20.7% vs 22.3%) and we saw an increase in our Upper Quartile compared to the prior year (31.6% vs 25.5%), whereas there has been a reduction of the proportion of men in our Lower (14.4% vs 12.6%) and Lower Middle (8.4% vs 18.5%) quartiles compared to 2022.

The gender pay gap differs from equal pay as it is not exclusively about men and women doing the same job and being paid differently. The gender pay gap considers the difference in average earnings, considering all jobs, at all levels and all salaries. We are confident that we do not have an equal pay issue and undertake reviews of pay and components across our workforce to monitor this.

Our pay gap is as a result of a number of factors, one of which is the fact that there are a smaller proportion of men in lower paid roles, even though overall we have a higher proportion of women in our workforce.

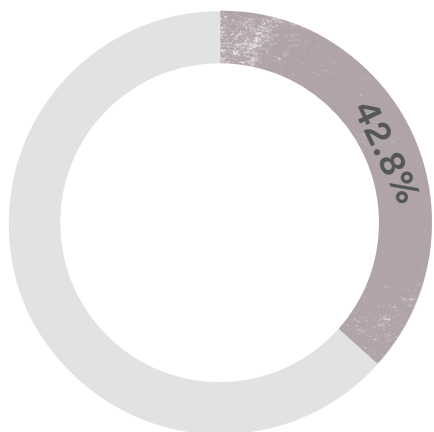
Our BONUS GAP

In addition to disclosing our pay gap, we are also required to disclose our bonus gap. Our mean and median bonus gap differences are 15.8% and 14.1% respectively.

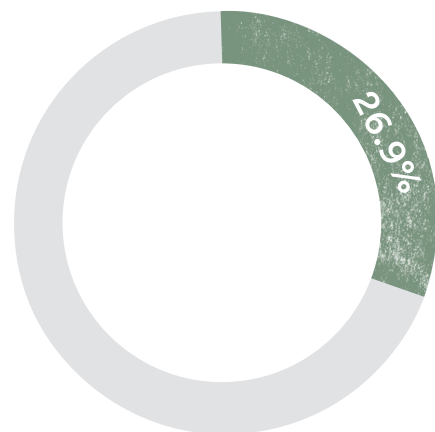


Both our mean (15.8%) and median (14.1%) bonus gaps have increased against the prior year. The majority of our bonuses in 2022 were paid to our Store Managers and workers in our distribution centres, reflecting store performance and peak incentives. This was 386 people in total. In 2023, FatFace introduced a cost of living bonus for Head Office colleagues, along with additional bonuses for both Head Office and store colleagues. By contrast, in 2023 bonuses were paid to 700 people in total. These bonuses reflected company performance as well as personal performance. As such any gap that exists within our Head Office and Management population is largely indicative of the performance of the individual and/or their team.

Accompanying bonus gap disclosures is the proportion of men and women who get paid a bonus. This gap has increased since the prior year, which can be explained by the addition of Head Office bonuses being paid.



● Proportion of Male staff receiving a bonus



● Proportion of Female staff receiving a bonus

Looking ahead
AND OUR
COMMITMENTS
to support our
workforce

2022 saw completion of our biggest IT project to date. Enabling us to bring business efficiencies and streamline working practices.

Looking forward, our sustainability journey continues today. We're committed to doing better, and we promise to make the best choices for our product, our planet, and our community. This includes continuing our journey to becoming a B Corp. As part of this, we continue to improve our equality and diversity practices across stores and head office to enable our colleagues to bring their true authentic selves to work.

FatFace is actively focussing on what needs to be done to improve gender diversity across the whole company and continues to invest in frameworks aimed to build awareness of gender in the workplace and open the conversation. As part of this, we have launched a parent networking group, enabling us to organically enhance contact and communication to those out of the business on family friendly leave but also connect those juggling the work life with family life at home. This has created a supportive environment where parents can seek support and advice freely.

In addition to this, we have launched a series of policies that are focussed on inclusivity. These included fertility treatment, pregnancy loss, and menopause policies. These aim to support gender in the workplace, levelling the playing field and making it more accessible for women.

FatFace will also continue to scrutinise our hiring and internal promotion processes (both internal and external) to make sure diversity and inclusion are at the heart of our business and that our senior leadership roles are representative. We are continuing to implement new diversity and inclusion initiatives to further our goal of an all-round supportive and inclusive environment as an employer our staff can be proud to be part of. This year, our focus will be on securing B Corp status, taking steps to becoming a period positive workplace as well as a launch of an internal Female Leadership Program.



Will Crumbie, CEO